



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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North Carolina Owner of Tax Preparation Business Pleads Guilty to Conspiracy to Defraud the IRS *Caused Loss of More Than \$10 Million*

A North Carolina man, who owned a tax preparation business in Rockingham, North Carolina, pleaded guilty today in the U.S. District Court for the Middle District of North Carolina to one count of conspiracy to defraud the Internal Revenue Service (IRS) and two counts of assisting in the preparation of false tax returns, announced Principal Deputy Assistant Attorney General Caroline D. Ciruolo, head of the Justice Department's Tax Division, and U.S. Attorney Ripley Rand for the Middle District of North Carolina.

According to documents filed with the court, from at least January 2012 through April 2016, Herbert Lee Martin, 53, of Rockingham, North Carolina, owned and operated a tax preparation business known as "Herb's Helping Hands," where he prepared and filed false electronic federal income tax returns that claimed fraudulent refunds for clients. Martin also taught his three nieces how to prepare false tax returns and supervised their preparation of these returns. Martin and his co-conspirators reported fictitious or inflated income and dependency exemptions to generate false or inflated Earned Income Tax Credits, false business income and losses, and false deductions. On occasion, Martin and his co-conspirators purchased, and sometimes stole, personal identifying information of individuals, including minor children, and listed these individuals as false dependents on returns to generate larger fraudulent refunds for their clients. Martin would, on occasion, direct some of the clients' refunds into his own bank account or a bank account he controlled.

Chief U.S. District Judge William L. Osteen, Jr., set sentencing for May 12, 2017. Pursuant to the terms of his plea agreement, Martin will be sentenced to 132 months in prison and ordered to pay restitution to the IRS of at least \$10,705,968.00. He also faces a period of supervised release and monetary penalties.

Principal Deputy Assistant Attorney General Ciruolo and U.S. Attorney Rand thanked agents of IRS-Criminal Investigation, who conducted the investigation, and Trial Attorney Kathryn A. Kimball of the Tax Division and Assistant U.S. Attorney Clifton Barrett of the Middle District of North Carolina, who are prosecuting the case.

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